

MEMORANDUM OF INTERVIEW

TO: The File

FROM: Robert G. Andary, Executive Director
Office of Integrity and Oversight

DATE: June 26, 2008

SUBJECT: Meeting with D.C. Councilmember Jim Graham on Thursday, June 26, 2008.

This afternoon I met with Councilmember Jim Graham in his office on the first floor of the Wilson Building. David Tseng, OCFO General Counsel, was also present. The meeting began at 2:10 pm, and lasted about 45 minutes.

Background

The meeting was predicated on a conversation between Councilmember Jim Graham and Dr. Gandhi regarding the DC Lottery contract and OCFO Contracting Officer Eric Payne. This matter was first brought to my attention on June 5, 2008, by David Tseng, who called to suggest that he and I speak with Councilmember Jim Graham about the concerns Mr. Graham expressed to Dr. Gandhi. The meeting with Mr. Graham had to be put off until today because Mr. Graham was on a trip to Istanbul and was unavailable for an interview. The meeting today was scheduled by David Tseng on Monday June 23 through Mr. Graham's office.

Mr. Graham stated that he wished not to be identified as the source of this information. He was assured that the information would not be attributed to him, but that we would have to use the information to inquire into the matters he was discussing with us.

Allegation regarding OCFO employee

Mr. Graham first spoke at length about the Club U and its owner Warren C. Williams Sr., and the General Manager Warren C. Williams Jr. This will be described later in this memorandum. Of particular interest to OIO, however, was the information Mr. Graham provided regarding OCFO Contracting Officer Payne. Councilmember Jim Graham stated that at the April 9, 2008, Finance Committee's Budget Hearing for the OCFO, Councilmember Jim Graham had attended primarily

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to ask Dr. Gandhi about the Lottery Contract. Afterwards, in the fifth floor hallway outside the Council Chamber, Graham bumped into Eric Payne. Graham mentioned to Payne that if Payne wanted any information about how the Lottery operated in the 1980's, Payne should talk to Dottie Wade, who was on the Lottery Board in the 1980's. Graham has known Wade for ten years. Wade is semi-retired now and serves as the Chair of ANC 1A in Graham's Ward. Her Cell Phone number is (202) 316-4221.

The next day, which would be April 10, 2008, according to the timing described by Councilmember Jim Graham, Wade just dropped by Graham's office. Wade was alone and told Graham that the Greek Company (Intralot) was at the Marriott hotel at that moment and they would come over to see Graham and bring Dottie into the deal. The implication by Wade was that a condition to bringing Dottie into the deal was that Graham would have to support Intralot in their bid for the Lottery contract.

Graham simply looked at Wade with astonishment and told Wade that that it would not be a consideration for Graham in considering the Lottery contract matter and that she shouldn't anticipate any reaction from Graham. Wade then left. No one from Graham's office was present during the contact with Graham. Graham assumed that Payne must have taken Graham's suggestion about Wade as meaning that she should somehow be included in the deal. The timing of Wade's contact with Graham coming the day after Graham's hallway conversation with Payne is what leads Graham to believe this. Graham does not believe the timing was a coincidence. Graham was not happy with the contact from Wade, and called Dr. Gandhi to complain about Payne. Graham has had no further conversation with either Wade or Payne about this matter.

I asked Mr. Graham to check his office appointment book to see if it reflected any visits to his office by Wade. The only time Wade appeared on Graham's schedule is April 17. Graham stated that this was just a drop-by by Wade, and wouldn't necessarily be reflected in the appointment book.

Other matters

Mr. Graham began the meeting, and spent a considerable time talking about his dissatisfaction with the principals of the putative winning bidder for the Lottery contract. He told us about the problems with Club U being a notorious place and a magnet for violence. When Terrence Brown was murdered there, Chief Ramsey found that Club U had a pattern of violence and shut it down for a period of days. Club U is owned by Warren C. Williams Sr., and the General Manager Warren C. Williams Jr.

Because of Graham's opposition to the Club, posters appeared on U Street accusing Graham of being a white plantation owner who is driving out black businesses on U Street. Graham said the posters were taken down and put back up about three times. Witnesses told him that then ANC Commissioner Sinclair Singer, who owns a dry cleaning business on Georgia Avenue, was seen putting the posters up. Singer later became a very visible big shot in Fenty's campaign. After the election, there was no further work for Singer, and Singer went on the payroll of Banneker Ventures, a real estate developer owned by the Williams. Thereafter Banneker began to get city

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contracts out of nowhere, and also received two contracts from Metro as a result of the Mayor pushing for Banneker to get them. Graham noted that Warren Williams Jr. was the co-chair of the Fenty campaign.

Councilmember Graham described the Williams as having no Lottery experience at all, although Williams did have some experience with a Lottery 30 years ago. Graham said that there is nothing behind the curtain for the Williams, and described them as major resume builders.

Councilmember Graham says a key to investigating the relationship of the Williams to the Fenty administration would be to look at the \$100 thousand payment from Williams to the city when the city settled with Williams on the lease on Club U. The lease was a favorable lease to begin with and had been signed by Mayor Barry because no one else would sign it. The settlement was incredibly favorable to Club U, and Graham believes Williams abused his relationship with Fenty by getting the settlement.

Councilmember Graham had background research on Williams Jr. that appeared to have been done by a commercial background investigation company. This showed a 2001 DWI charge in Virginia to which Williams had pled guilty. There was also a record of infractions in Virginia in 1993 and 1999. The credit history revealed several credit issues for Williams.

Councilmember Graham gave us a copy of the first page of a letter from a Marc Barnes to the Mayor and the Chief of Police on May 14, 2008, in which Barnes alleges that Warren Williams Jr. threatened him because of Barnes' support for LTE on the Lottery contract.

At the conclusion of the interview, Mr. Graham asked to be briefed on the results of my investigation.

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MEMORANDUM OF INTERVIEW

TO: The File

FROM: Robert G. Andary, Executive Director
R. G. Andary
Office of Integrity and Oversight

DATE: June 27, 2008

SUBJECT: Interview of Eric C. Payne, OCFO Contracting Officer, on Friday, June 27, 2008.

This afternoon I interviewed Eric C. Payne, OCFO Contracting Officer, in my office at 1275 K Street NW, 5th floor. The meeting began at 2:32 pm, and ended at 3:16 pm.

Background

The meeting was predicated on my conversation with Councilmember Jim Graham the previous day, and was to resolve the issues raised by Mr. Graham concerning Dottie Wade.

Payne's encounter with Councilmember Jim Graham

I began by asking Eric Payne if he knows a Dottie Wade. Payne stated that he knows who she is but that he doesn't know her personally and has never met her. I asked him to tell me what he knows about her. Eric Payne began by describing an encounter with Councilmember Jim Graham on April 9, 2008. The Council had just finished a budget hearing concerning the OCFO. And the participants were milling about in the hallway outside the Council chamber on the fifth floor of the Wilson Building. Mr. Graham was there, and Eric Payne had just heard Councilmember Jim Graham asking Dr. Gandhi to withdraw the Lottery contract and stating that he had some concerns about the Lottery contract. Therefore, Eric Payne approached Councilmember Jim Graham and introduced himself as the contracting officer and asked Councilmember Jim Graham to tell Payne what issues or questions Graham might have about the Lottery contract.

Councilmember Jim Graham told Payne he should call Dottie Love Wade, and she will tell Payne what the issues are regarding W2I. Payne asked Graham if there was anything specific, and Graham encouraged Payne to call saying that Wade had information about W2I's ability to

manage the Lottery contract. Graham gave her number as (301) 316-4221. Graham told Payne that Wade was a former Lottery Director and that Wade had worked with Warren Williams Sr. and had concerns about W2I's ability to fulfill the terms of the contract. (Payne later learned that she was only an interim Director, and that was at least ten years ago. Payne heard that her directorship ended badly.) Payne told Graham that he'd be happy to call Wade, and Payne further asked Graham to share any documents Graham might have regarding issues with the Lottery contract. During Payne's conversation with Graham, OCFO Associate General Counsel for Legislative Affairs Cynthia Gross came over and should have heard most of what Graham said.

Payne's call to Wade

The next morning, April 10, 2008, Payne called Dottie Wade. Payne introduced himself and told her his position. Wade seemed as if she were not surprised to get a call from Payne. Payne thinks the phone number may have been a home phone number. Wade told Payne she knew Warren Williams Sr. and Jr. and thought they were honorable people and she had no doubts about their integrity. However, Wade did have questions about their ability to manage the Lottery contract. Williams senior once had a contract to provide instant ticket products in DC in the mid-1980's, but Wade didn't know how that experience would translate into an ability to manage lottery operations.

Payne told her that the Williams would not be managing the operations, but would be working with Lottery employees and W2I. The contract is not with Williams, but it is with W2I, whose employees were experienced and qualified. Wade said that they were honorable people and that her concern was their capacity to manage the contract. Payne ended the conversation by giving her his phone number and by thanking her.

Payne's contact with Alaka Williams

On April 18, 2008, Payne called Alaka Williams, the W2I representative, and asked her to come in. Williams was with Warren Williams Jr. and a W2I lobbyist/lawyer and another W2I employee. Payne thinks Jay Young of the OCFO/DCLB was there for the first part of the meeting. Payne asked Alaka if she had any contact with Dottie Wade, and whether Wade was offered a job.

Alaka stated that she did not know Wade, but Wade had called Alaka (as did a number of people who called Alaka seeking jobs). Alaka met with Wade and Wade wanted W2I to give Wade a lucrative job where Wade would do next to nothing. Wade also wanted to be provided with a car. Wade mentioned her relationship with Graham, and offered to meet with Graham on W2I's behalf. However, this was not said as a quid pro quo, and Wade was not tying a potential job to Graham's support. Alaka did not promise or extend any employment offer to Wade. Alaka stated that Wade did meet with Graham afterwards, and encouraged Graham to support W2I, but no support was ever forthcoming from Graham.

Payne told Alaka that it was foolish to meet with potential employees without having a contract in place, particularly if the person was connected to a Councilmember or some other decision maker in the Lottery contract matter. Payne told her that all such discussions should cease because they could be viewed as improper. Payne was very angry with Alaka.

Payne had no further discussion with Alaka about Wade, although he did have further discussions with her on other topics.

Payne's next encounter with Graham

On April 24, 2008, Angell Jacobs told Payne that Dr. Gandhi wanted Cynthia Gross and Eric Payne to see Graham. Payne was told that Graham had called Dr. Gandhi and alleged that Wade had been offered a job by W2I. Payne was not told why he was supposed to see Graham. Payne went to Graham's office with Cynthia Gross. It was just the three of them present when Graham told Payne that Graham was angry with Payne and had a bone to pick with him. Graham wouldn't say what the bone was, but merely said that Dr. Gandhi would talk to Payne about it.

Graham then talked about W2I and asked who these guys were, and mentioned that they were getting contracts all over the place. Payne spoke to Graham about the binders that were being prepared for the Councilmembers concerning the Lottery contract, and told Graham that they were working on the binders and that the binders would answer Graham's questions about the award of the contract.

Payne's meeting with Dr. Gandhi

At 12:30 pm the following Monday, May 5, 2008, Dr. Gandhi and Eric Payne met with Council Chairman Gray. Afterwards they went to Dr. Gandhi's office and were joined by Lucille Dickinson, David Tseng, Angell Jacobs, and possibly Cynthia Gross. Payne asked Dr. Gandhi what Graham's "bone" was about, and Gandhi responded that Graham had told Gandhi that Wade had been offered a job with W2I in return for Graham's support. Payne told Gandhi what Payne had learned by meeting with Alaka Williams. No one at the meeting asked Payne to pursue the issue.

Payne did not make any written record of his conversations with Graham, Wade and Williams. Payne never felt that Graham was trying to get a job for Wade. Graham mentioned Wade to Payne as a reference who supposedly had negative information about W2I.

In the evening of the day Payne was interviewed by me, Payne sent me the attached email clarifying the dates on which some of the above contacts were made. These differed somewhat from what Payne had said in the interview, and the memorandum of interview was revised to reflect the changes.

Andary, Robert (OCFO)

From: Payne, Eric (OCFO)
Sent: Friday, June 27, 2008 5:44 PM
To: Andary, Robert (OCFO)
Subject: Dottie Love Wade Follow up

Bob,

Per our discussion, I wanted to provide you with the relevant dates, based on my review of my calendar and recollection, of discussions regarding Dottie Love Wade. They are:

4/9/08 – Discussion with CM Graham in 5th floor hallway of Wilson building following 09 Budget Oversight Hearing. He asked me to phone Dottie Love Wade for additional reference information and background on W2I.

4/18/08 – Received phone call regarding CM Graham's allegation related to Dottie Love Wade.

4/18/08 – Met with W2I and inquired about the allegation. Their version of events was substantially different from CM Graham's. I concluded that it was a "he said, she said" and that there was no evidence of procurement impropriety. I cautioned W2I to be mindful of the ethical and legal expectations of all contractors and informed them that, if founded, this behavior would not be tolerated of any OCFO vendor.

4/24/08 – Met with CM Graham to discuss his concerns with the proposed contract award. He did not mention Dottie Love Wade. Simply said he was "angry" with me and "had a bone to pick with me." He said that Gandhi would talk with me about it.

5/5/08 – Met with CM Gray to discuss the Lottery Contract. Afterwards, met with Gandhi and staff and he shared CM Graham's concerns with me and I told him what had been shared with me by W2I.

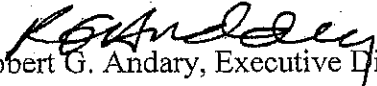
Since then, I've had no further conversations with CM Graham, Gandhi or others regarding Dottie Love Wade. Let me know if you need something else.

Eric

6/30/2008

MEMORANDUM OF INTERVIEW

TO: The File

FROM: 
Robert G. Andary, Executive Director
Office of Integrity and Oversight

DATE: July 1, 2008

SUBJECT: Interview of Cynthia Gross, Associate General Counsel for Legislative Affairs, on Monday, June 30, 2008.

On Monday, June 30, 2008, I interviewed Cynthia Gross, Associate General Counsel for Legislative Affairs, Office of the Chief Financial Officer. The interview took place in her office, Room 229, in the Wilson Building, from 3:05 p.m. until 3:25 p.m.

Background

The meeting was predicated on my interview with Eric Payne, who advised that Cynthia Gross was present during two of Payne's conversations with Councilmember Jim Graham regarding the lottery contract.

The April 9, 2008, encounter with Councilmember Jim Graham

Cynthia Gross was present during the April 9, 2008, budget hearing for the OCFO. During the hearing, Councilmember Graham mentioned that he had a thick file of information about the winning vendor in the procurement for the lottery contract. Afterwards, in the hallway outside the Council hearing room, she saw Eric Payne approach Graham. She went up to Graham and Payne because she, as Associate General Counsel for Legislative Affairs, should be present when an OCFO employee talks with a Councilmember.

Payne told Graham that Payne would be happy to have any information Graham had about W2I. Payne asked him for anything Graham wanted to relay to the OCFO, and asked him to share the information Graham had mentioned during the hearing. Graham gave Payne a business card or a contact name or number of some woman who had made allegations against the successful bidder for the lottery contract. Graham told Payne to call the woman, that the woman can tell him

anything she knows about W2I, including that the company doesn't have enough years of experience with lotteries, and that they are not who they claim to be. Payne told Graham that he would follow-up on it. Ms. Gross did not recall the name of the person Payne was supposed to call.

Payne and Gross meet with Graham

The next meeting Gross had with Graham was at Dr. Gandhi's request. The meeting may have been on April 24, 2008. The meeting was to follow-up to answer any questions Graham might have about the award of the lottery contract. The meeting was in Graham's office, attended by Gross, Payne, and Graham. Graham indicated to them that he did not believe W2I had enough experience. He was concerned that Alaka Williams was still on the contract, but Payne told Graham that she was no longer on the contract. Graham had a big binder with a stack of information on W2I that Graham offered to Payne and Gross, but he never gave it to them. Graham said it was all information they could get on the internet.

The primary issue for Graham seemed to be that someone who ran against Graham in the last election had a Treasurer who was now part of the new lottery company. That person, said Graham, had filed false campaign finance reports in the Office of Campaign Finance (OCF). Graham had been trying for a long time to get OCF to conduct an investigation of that individual, and Graham wanted Payne to be aware that OCF was now conducting that investigation.

Gross did not recall any discussion regarding the woman whose name Graham had given to Payne on April 9. Graham did not seem to be personally upset at Eric Payne, he was just upset about the lottery contract and the lack of information that Payne seemed to have.

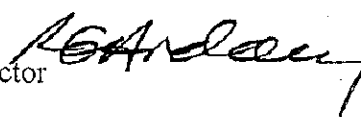
Other information

Cynthia Gross never asked Eric Payne if he had ever called the woman mentioned by Graham, and she was never briefed on any contact Payne may have had with the woman. However, sometime after the two meetings described above, Gross heard something in the front office about a woman who had tried to get a job, and that one of the lottery firms said that the woman tried to intimidate them. However, it turned out to be a he said/she said situation where the company said she tried to intimidate them and she said the winning bidder had called to entice her by offering her a job. Another matter that came up after the two meetings was the information that someone in the winning company was a fraternity brother of Mayor Fenty.

MEMORANDUM OF INTERVIEW

TO: The File

FROM: Robert G. Andary, Executive Director
Office of Integrity and Oversight



DATE: July 10, 2008

SUBJECT: Interview of Dotti Love Wade, Chairman, ANC 1A on Thursday, July 10, 2008.

This afternoon I interviewed Dotti Love Wade, Chairman, ANC 1A in my office at 1275 K Street NW, 5th floor. The meeting began at 2:20 pm, and ended at 4:08 pm.

Background

The meeting was predicated on my conversation with Councilmember Jim Graham on June 26, and was to resolve the issues raised by Mr. Graham concerning Dottie Wade. Mrs. Wade is in her second term as Chairman of ANC 1A. She has been retired since 1994 or 1995, and works occasionally as a management consultant. At the moment, she is between jobs. At one time she worked for Councilmember Barry. She was instrumental in legislation establishing the old convention center and the D.C. Lottery Board. She was on the Board of Directors of the Commission set up to study the issue of gambling. She later worked for the Lottery Board, as Director of Lottery Operations, as Deputy Director and then as Interim Executive Director.

The call from Eric Payne

She recalls that she got a call from Eric Payne on her cell phone around April 10, 2008. He left a message and she called back and left a message for him to call her on her cell phone. He did call her cell phone and spoke with her. She had never met Payne before, and has never spoken with him since. She doesn't even know what he looks like and this was the only conversation she has ever had with him. She didn't expect his call and she doesn't recall if Payne said that Graham had referred him to her. She assumes Graham did refer her to him because of her expertise.

She said that she knows Graham well, and calls him on a regular basis. They are in constant contact. She had called him because she found out about the contract award to W2I and wanted to find out about them. She wanted to know who they were and what experience they had. She asked Graham about the parties and she knew Warren Williams Sr. because he was part of the original lottery when Scientific Games had the contract. Williams Sr. had a sub-contract to warehouse the materials and to distribute the instant tickets. When she heard he was on the new contract she called Graham and asked how they got the contract over LTE.

She knows Leonard Manning of LTE well because he was on the Gambling Study Commission with her. He is now a principal of Lottery Technology Enterprise (LTE). Leonard was trained by G-Tech and is very literate on on-line lottery functions. Wade has never had a business relationship with LTE, and has had nothing to do with LTE or the lottery industry as a management consultant.

When Eric Payne called her, he said he was with the CFO's office and that he wanted to ask her questions about W2I getting the award. Payne said he knew she had some concerns and he wanted to know what they were and why she had the concerns. Wade does not recall whether Payne said that Graham had referred him to her, but she assumes Graham told Payne to talk to her because of her expertise. Payne asked her how she knew LTE and Warren Williams Sr. Wade told Payne that she had been on the Commission that picked the first lottery contractor.

Payne asked if LTE had any experience with running a lottery, and she said that LTE was affiliated with a large company that trained LTE and eventually turned the operation over to them. Payne asked if the same thing could happen to W2I, but she said she still had questions about W2I. Payne reminded her that LTE didn't have any experience at first either. Payne said that Interlot was one of the major companies in the world, and had been very successful. Interlot had modern equipment and would save \$5 million through the use of updated technology. (She had read in the paper that the new operator had said they would save \$5 million annually over the present contract.)

Payne never referred to any meeting between Wade and W2I. There was never any follow-up to the telephone conversation. She had said that if there was anymore information she would call him or he could call her back, but this never happened. The entire phone conversation took place at her home. Her husband was the only other person there but he didn't really hear anything. Also, she never reported back to Graham about the telephone call.

The call from Cornell Jones

Cornell Jones is a friend of Wade's family and is also a friend of Warren Williams Sr. and Jr. Sometime after Wade's telephone conversation with Payne, Wade received a call from Cornell Jones. Wade assumes that W2I asked Jones to call her, but Jones does not work for W2I. Jones said he was calling because he knew she had some concerns about W2I and W2I wanted to meet with Wade and find out what the concerns were. Wade doesn't know how Jones knew about her concerns, but she said she would be available. Jones said he would set it up. Jones did not mention anything about a job or about Wade working for W2I.

Meeting with W2I

On April 16 (according to Wade's calendar which shows W2I at 10:30 on the 16th) she met the W2I principals at the Marriott Hotel across the street from the Wilson Building. It was not a formal meeting. They first met in the lobby of the hotel. Those present were Mrs. Wade and her husband, Warren Williams Jr. and his wife Alaka, Cornell Jones, and a man called "Mo" who

was a community outreach guy for W2I. They were waiting in the lobby for the President of Interlot to arrive.

They talked about Wade's and Graham's concerns. She mentioned Warren Williams Sr. and the club "Coach and Four" in the Reeves building that becomes a go-go club on weekends. But Wade was told that Williams Sr. was not part of W2I. Wade said that if Williams Sr. is not in it, then who had lottery expertise? They talked about Interlot, and how Interlot would train them and get them up and running, and provide the staff and the technical support. After hearing that, Mrs. Wade was a little more comfortable.

But what really made her comfortable was W2I saying they were willing to hire LTE's former staff to insure a seamless transfer. Wade thought this was important because a lottery operation is a 24/7 operation that never shuts down. It has to operate three shifts a day, and it is important to have a seamless transfer from one company to the other.

Another thing that made her feel more comfortable with W2I was that she was getting answers to the legitimate questions she had. For example, one answer she got was that W2I was going to save money by using new technology that doesn't need as much space as the large computers that LTE was using. LTE had used half of a floor just for their computers. W2I would not need as much space and wouldn't need to hire as many people as LTE.

William's wife asked Wade how she knew so much about the Lottery, and Wade told her what her background was, including how she loved to design games. At some point in the conversation Alaka told Wade "we need to hire you." Wade told her she was not looking for a job, and Wade's husband said no -- we don't need that stress.

At about that time the CEO of Interlot, Tom Little, arrived. He was not Greek, but was in charge of Interlot operations in this country, and he is based in Atlanta.. He seemed to recognize Wade, and although Wade didn't recognize him, she must have met him when she was trying to set up the DC Lottery. After Little arrived, they moved the meeting upstairs to the VIP conference room on the floor that had the suites. She and Little talked, and he asked her what she was doing now and whether she was comfortable that they could do the lottery contract. She told him that she assumes that since they were knowledgeable and successful, they could do the contract with the proper training and support.

Little told her that they could really use someone like her, but she told him she wasn't looking for a job. Later, she did tell them that she could help them set up the lottery and serve as a mentor to Alaka. At about that time, Warren and Alaka asked her to contact Graham and Payne. Wade said she would talk to Graham, and they wanted her to report back after she had talked with him. They also wanted to know if she knew anyone else on the Committee. She does know all of the Committee members except Catania. She has known Kwame Brown since he was a boy, and she knows Barry and Jack (Evans). In all, she knows four of the five Committee members. However, the only one W2I was concerned about was Graham, since he was the most vociferous of the five. Graham was only one vote, but he was passionate about it.

However, the only Committee member she agreed to talk to was Graham. She did not agree to set up a meeting for W2I with Graham. She told them they should not only set up a meeting with Graham, but they should meet with all of the Committee members. She asked them for a copy of the Lottery RFP and for the proposal they submitted. They did not have any copies with them, but agreed to provide her with copies later. She and her husband left, and Cornell Jones walked them out. She doesn't know if he went back to the meeting afterwards.

Wade said that during the meeting she said she would consider consulting with Alaka Williams, but there was no talk of what conditions this would involve. This would not be contingent on her getting Graham to support W2I, but it was contingent on W2I getting the contract in the first place.

Another telephone conversation with Jones

That evening Wade also called Graham and set up a meeting for the next day.

That same evening she also had a telephone conversation with Cornell Jones. She had called him to tell him about the meeting scheduled for the next day with Graham, and told him she needed the two documents, the RFP and the W2I proposal. Jones said he would be at the Marriott and she could pick them up there. Wade said that Cornell Jones never worked for W2I. He told her he wasn't getting paid for this. Wade says that Jones was just a middle man. Jones asked her if she was willing to do consulting with W2I and she said she was. He asked Wade how much she was looking for, and she told him it would have to be a decent contract based on what she was worth. She also said she would need a car to get around. Jones told her he would tell them.

Meeting between Wade and Graham

The next day before the meeting, she stopped by the Marriott to get the RFP and the W2I proposal she had asked for earlier. Alaka Williams, Warren Williams Jr., and Cornell Jones were in the lobby. They did not have the documents, but said that a messenger was on the way with them. They told Wade they would wait there and Wade should tell them how the meeting with Graham went.

Wade went to see Graham and he told her he could not vote to support anything the Williams had anything to do with. Wade told Graham that she had been offered a job as a consultant and she was willing to take it, but she would never ask Graham to go against his conscience. Graham said - sorry Dottie, if it was anything else, but not this. However, the fact of Wade's job offer was not the substance of the meeting. The substance was that they had convinced Wade that the contract with W2I would be a workable, viable contract, and that W2I could save the city money, and make the city more money because the contract with LTE was too restrictive. Wade told Graham that W2I was staying at the 3 Marriott and they would probably reach out to him and set up a meeting with him.

Wade did tell Graham at some point that Payne had called her, but there was nothing said that Payne had put her in touch with W2I. Graham never articulated that to her, in the meeting or at any other time. Graham then walked her across the street to the Marriott since he was going to

the National Press Building up the street. Wade told the Williams that she had given it her best shot, and that they should now meet with Graham and the other council members themselves. She told them that it didn't look good – that Graham was not going to budge.

The aftermath

She knows that W2I met with Kwame Brown and may have met with Barry, but Wade had nothing to do with setting up those meetings. She has had no further discussion with Graham about this matter. She still sees him all the time, however, including the morning of this interview. Also, she has had no further contact with W2I or Tom Little. She has not discussed this further with Cornell Jones, although she has seen him since at her daughter's graduation party.

Wade insisted that Payne did nothing improper in all of this, that Payne only did what he was asked to do – to call her and find out what was her opposition to W2I, and whether she had any personal or valid reasons for her opposition.. Payne also asked her why Graham was so opposed to the contract, and Wade said it was because Graham's loyalties were to LTE, that he was friends with LTE and wanted them to get the contract.

MEMORANDUM OF INTERVIEW

TO: The File

FROM: Robert G. Andary, Executive Director
Office of Integrity and Oversight

DATE: July 22, 2008

SUBJECT: Interview of Alaka Williams on Wednesday, July 16, 2008.

This afternoon I interviewed Alaka Williams, Chief Executive Officer of W2Tech, in my office at 1275 K Street NW, 5th floor. Ms. Williams was accompanied by her attorney A. Scott Bolden of ReedSmith, LLP. The meeting began at 2:35 pm, and ended at 4:00 pm.

Background

The meeting was predicated on my conversation with Councilmember Jim Graham on June 26, and was to resolve the issues raised by Mr. Graham concerning Dottie Wade. Ms. Wade was interviewed on July 10, 2008, and provided information about her meetings with Alaka Williams and others associated with W2I. I tried to arrange an interview with Ms. Williams, but she failed to attend the first interview set for July 2, 2008. Instead, she left a voicemail saying that I should contact her attorney Scott Bolden. I did contact him and we arranged for an interview at 2:00 pm on July 10. However, he called me that day and said he had advised Ms. Williams not to be interviewed, and Bolden offered instead to have her respond in writing to any written questions I might have. Finally, I agreed to accept a written statement from her about her contacts with Ms. Wade. However, Mr. Bolden called me back and said she would be interviewed. This interview resulted. Mr. Bolden stated that he represents all the employees of W2I including the employees of Interlot.

Setting up the first meeting with Wade

Alaka Williams started the interview by saying that the meeting she had with Mrs. Wade was the first time she met Wade. Wade had known Alaka Williams's father in law when Wade was with the DC Lottery. Warren Williams Sr. was with Games Production, and helped establish the instant ticket, or scratch and win, game to the DC Lottery. The background to Alaka Williams's meeting with Wade was that an April 7, 2008, Council hearing, Graham had asked Eric Payne, OCFO Contracting Officer, how much lottery experience Warren Williams Sr. had. Payne told Graham that Williams had 35 years of lottery experience, and Graham asked Payne to document that. Payne told the Committee that he would get back to them. Alaka Williams stated that in reality, Warren Williams Sr. had 35 years of business experience, but not all of that was lottery experience.

After the hearing, Payne called Alaka Williams and said that he needed answers to the questions the Committee had asked. As a result, they had the hearing transcribed so that they could answer all of the questions. They worked on written responses that were contained in white binders that were sent to all of the members of the Committee. But as a result of the hearing, people started calling W2I and saying they had read about them in the paper and offering to help out. The people who called would say they have this or that experience, and that they knew certain people. Eventually, Alaka Williams's voicemail was full from all the calls she had received. One of the calls was from Cornell Jones. Jones had once had a nightclub, and knew both Williams Sr. and Jr. from their nightclub days. Jones called Williams Jr. (who is Alaka Williams's husband) and said that they should meet with Wade at the JW Marriott. Jones said that Wade had lottery experience and wanted to get back into the DC Lottery. Jones made no mention of Wade's connections to Councilmember Graham in the conversation. Alaka Williams stressed that Jones was not an employee of W2I and was not paid by them in any fashion.

The first meeting with Wade

Alaka Williams did not know how the first meeting with Wade was set up, but Intralot people always stayed at the JW Marriott at 14th and Pennsylvania Avenue when they came to town, and it was a normal place for them to meet Wade. Wade came to the meeting with her husband, and Cornell Jones was there. Jones made the introductions. The Intralot employees there were Tom Little, Byron Booth, Vice president, and Jay Lapine, the General Counsel. Others there were Alaka Williams and her husband, Warren Williams Jr., Cornell Jones, and Wade and her husband. The meeting took place on the 14th floor of the Marriott. Alaka Williams's goal in meeting Wade was to have experienced people available if Alaka Williams got the lottery contract. Alaka Williams wanted to see what Wade was like, a kind of background screening. Also, Alaka Williams's father in law knew Wade.

Alaka Williams asked how Wade had heard about the lottery contract, and Wade said she had received a call from Payne. Payne told her she should have come to see him sooner in light of all her contacts. Wade doesn't know how she missed the lottery contract in view of the fact that she is very linked in. Alaka Williams does not think that Wade meant that Payne had put her on to W2I. Wade told them about her experience with the Lottery, and told them what she had done in the past and that she was an ANC Commissioner. Wade also asked questions about W2I. Wade did not want a full time job; she said she did not want to be part of the daily grind. There was no specific talk of salary, but Wade also said she didn't want the job to be a waste of her time. Wade wanted to work out of her house, and therefore wanted to have a home office. She also didn't want to use her own car, and asked if there was a company car. Alaka Williams and the others present told Wade that they didn't have the lottery contract yet so they couldn't get specific. Williams denied that, in effect, Wade was asking for a pretend job. Wade also said she liked them and wanted to tell Jim Graham she supported them. She said that she and Graham had a long history, and she would want Graham to hear from her that she liked W2I.

Alaka Williams had no further contact with Wade that day.

The second meeting with Wade

A few days later Alaka Williams was at the Marriott with Intralot working on the binders for the Council members. The same people were there who had been present for the first meeting with Wade. Alaka Williams was in the lobby waiting for another group to come in. (At the time they were trying to build community support and were dealing with a lot of groups.) Wade showed up with her husband. Cornell Jones also showed up at about the same time, although Alaka Williams cannot say he came with the Wades. This was not a meeting that had been scheduled. They talked for about 5 to 10 minutes in the lobby of the Marriott, and Wade said she was going to see Graham and would be back after the meeting. Wade left with her husband. Alaka Williams is not sure whether Cornell Jones stayed or went with Wade. Alaka Williams stated that Wade was not there to pick up any materials for her meeting with Graham.

The third meeting with Wade

After the meeting Wade told them it did not go well with Graham. Wade told Graham she was interested in supporting Intralot. She told him this because she wanted to clear it with Graham because she wanted to work with Interlot but did not want to work for them without Graham's okay. But Wade said with Graham it was all personal. Graham did not like Warren Williams Sr. or Jr. Wade did not indicate to Alaka Williams that in the meeting she wanted to get Graham to change his position on the contract. Alaka Williams asserted that Wade was not promised anything in connection with Wade's meeting with Graham. Alaka Williams said that there were no plans for W2I to meet with Graham if Wade could set it up. Wade didn't suggest to W2I that they meet with Graham or other Committee members. In fact, W2I was already contacting and meeting with Committee members on its own. Wade said she'd be in touch and left the Marriott. This was Alaka Williams's last contact with Wade.

The meeting with Payne

Payne never spoke with Alaka Williams about the meetings she had with Wade. However Alaka Williams did attend a meeting with the DC Lottery Board and Payne. This was shortly after the meeting with Wade but was not on the same day. It was within a week of her meeting with Wade. Several people were there, including Jay Young and Byron Booth of Intralot. Alaka and Warren Williams Jr. were also there. The meeting was to answer the questions asked by the Committee.

During the meeting Payne received a phone call and left the room to take it. When he came back he told them that Graham had gone to the CFO and had told the CFO that W2I was offering Wade something in return for Graham's vote. Alaka Williams and the others said absolutely not. They told Payne they had met with Wade but denied offering her anything regarding Graham. Alaka Williams said Payne appeared upset, but he was upset about the phone call he had received and not about their talking with Wade. She had no further discussion with Payne about Wade.

The meeting with Graham

After the interview was complete, Alaka Williams and her attorney volunteered information about a later meeting they had had with Councilmember Graham. This was at a time when they were meeting with all the members of the Committee. Graham scheduled the meeting and it lasted about two hours. Those present were Crystal Baker and Jim Link (lobbyists for W2I) Alaka Williams and Warren Williams Jr. Graham attended as did both of Jim Graham's Chiefs of Staff: Ted Lossa and the other whose name they didn't recall but who is a former boxer.

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Graham talked about how Warren Williams has all the good real estate deals, and Graham also talked about how it would take a lot to move him on the lottery contract issue. Graham told them this conversation is completely off the record, and then said that if Warren Williams Jr. would step off the WMATA contract, then Graham would be willing to get on board with the lottery contract. Alaka Williams explained that Williams had two contracts at the same time, a contract with WMATA to develop property around the Metro station in Graham's ward, and the lottery contract. Graham was trying to negotiate with Williams to back off the WMATA contract so Graham could re-bid the contract and another one of the bidders, who was Graham's favorite contractor, could get the contract. Graham said he had talked to a lot of other people who were qualified for these contracts and they were not getting a chance. Williams told Graham that he had already been awarded the contracts and the process had been fair and that Williams couldn't do what Graham wanted.

Later, the Williams received a call from Bill Meyers, a reporter for the *Examiner*, who laid it all out about what happened in the meeting with Graham. He said he had talked to the Councilmember's staff who were in the meeting, and he was calling Alaka Williams to confirm the details. Alaka Williams did not confirm the story for the reporter. She later sent Graham an email about the reporter and Graham said he would check into it.

Graham sent an email to the Williams asking them who had put up the posters against Graham, and whether the Williams had funded Chad Williams. He also indicated that the newspaper had contacted him and that he preferred not to have these discussions by way of email.

Two weeks later Graham did vote, as a member of the WMATA board, to approve the WMATA contract. However, to get back at them, he asked WMATA to put in tighter ethical requirements about how WMATA selects contractors.

Attorney Bolden urged me to investigate Graham's statements at this meeting. I explained that I had no jurisdiction over the Councilmember, and asked Bolden what violations he thought had occurred. Bolden said he thought that Graham had violated the procurement rules of both DC and WMATA since Graham sits on both boards and is in the chain of approvals for both contracts. Bolden also thought it may be a violation of the conflict of interest provisions of Title 1 of the DC Code. Bolden agreed to forward the above-mentioned emails to me.